

## Message Text

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ACTION PM-03

INFO OCT-01 NEA-06 ISO-00 CIAE-00 DODE-00 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 FEA-01 ACDA-05 IO-04 OES-03 AEC-05 /067 W

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P 210622Z OCT 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4642

UNCLAS NEW DELHI 14037

E.O. 11652: N/A

TAGS:

SUBJECT: STATE DEPARTMENT LETTERS ON NUCLEAR  
EXPLOSION AND DEBT RELIEF

FOLLOWING SENT ACTION NEW DELHI FROM MADRAS OCT 20 REPEATED FOR  
YOUR INFORMATION:

QUOTE

MADRAS 1315

THE HINDU OCTOBER 20 FRONTPAGES STORY FROM WASHINGTON  
CORRESPONDENT SAGAR HEADED "US SILENCES CRITICS OF INDIA'S  
NUCLEAR TEST." STORY SAYS U.S. STATE DEPARTMENT HAS TOLD  
CONGRESS THAT THE MONEY EXPENDED BY INDIA ON ITS UNDERGROUND  
TEST LAST MAY IS ONLY A SMALL FRACTION OF ITS ANNUAL BUDGET  
AND THAT IT SHOULD, THEREFORE, RAISE NO SERIOUS QUESTIONS ABOUT  
THE ECONOMIC PRIORITIES INDIA HAS SET FOR ITSELF. SAGAR  
QUOTES FROM LETTER TO A CONGRESSIONAL COMMITTEE ON SOUTH ASIA  
FROM ASSISTANT SECRETARY LINWOOD HOLDTON AS FOLLOWS: "IN  
OUR JUDGEMENT NO SIGNIFICANT TRANSFER OF INDIAN ECONOMIC RESOURCES  
IS INVOLVED IN ITS (INDIA'S) NUCLEAR EXPLOSION. INDIA'S  
ANNUAL BUDGET IS ABOUT DOLS12 BILLIONS. THE TOTAL EXPENDITURE  
FOR NUCLEAR DEVELOPMENT IN 1973 WAS DOLS91 MILLIONS, THE VAST  
BULK OF WHICH WAS USED FOR NUCLEAR POWER DEVELOPMENT TO PROVIDE  
BADLY NEEDED ELECTRICITY FOR THE INDIAN DEVELOPMENT EFFORT.

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THE TOTAL COST OF THE NUCLEAR EXPLOSION INCLUDING PRIOR  
RESEARCH AND DEVELOPMENT WAS LESS THAN 0.1 PERCENT OF THE

INDIAN BUDGET." SAGAR SAYS LETTER IS ONE OF TWO COMMUNICATIONS  
OUTLINING U.S. POSITION ON DEBT RELIEF FOR INDIA. STATE  
DEPARTMENT HAS TOLD CONGRESS U.S. IS UNABLE TO ACCEPT WORLD  
BANK PROPOSAL THAT ALL OF ITS 13 MEMBERS RESCHEDULE 45 PERCENT  
OF THE DOLS550 MILLIONS INDIA OWED THEM IN DEBT REPAYMENTS THIS  
YEAR TO HELP IT TIDE OVER ITS CURRENT FOREIGN EXCHANGE AND  
BALANCE OF PAYMENTS DIFFICULTIES. U.S. HAS NOW SAID IT STILL  
UNABLE RESCHEDULE ANYTHING MORE THAN DOLS45 MILLIONS WHICH REPRE  
SENTS ONLY 1 PERCENT OF INDIA'S DEBT PAYMENTS TO U.S. SAGAR SAYS  
REFERENCE IN STATE DEPARTMENT LETTER ON DEBT RESCHEDULING TO  
POSTS OF THE INDIAN NUCLEAR PROGRAM IS EVIDENTLY INTENDED TO  
OVERCOME ANY OBJECTIONS CONGRESS MIGHT RAISE TO U.S. CONTINUING  
TO PROVIDE DEBT RELIEF TO INDIA. HE SAYS IT WOULD ALSO  
SUGGEST THAT WHILE U.S. ADMINISTRATION MAY CONTINUE TO BE  
CONCERNED ABOUT PROLIFERATION ASPECTS OF INDIA'S ENTRY INTO  
NUCLEAR CLUB, IT DOES NOT OBJECT TO IT ON THE GROUND THAT  
IT REPRESENTS A DIVERSION OF RESOURCES, A DISTINCTION WHICH  
OTHER AMERICAN CRITICS HAVE REFUSED, OR BEEN RELUCTANT, TO DRAW.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, NUCLEAR TESTS, GOVERNMENT DEBTS  
**Control Number:** n/a  
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**Draft Date:** 21 OCT 1974  
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**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
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**Review Comment:** n/a  
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**TAGS:** PFOR, EAID, IN  
**To:** STATE  
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